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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 11, 2002

EX PARTE

William Caton
Acting Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, DC 20554

**Re: Application by Verizon-New Jersey Inc. for
Authorization To Provide In-Region, InterLATA
Services in State of New Jersey. Docket No. 01-347 -
Public Version**

Dear Mr. Caton:

Metropolitan Telecommunications ("MetTel") hereby submits this response to Verizon's *ex parte* submission dated February 25, 2002, which Verizon submitted in response to MetTel's statements regarding New Jersey's OSS. A proprietary version is also being filed.

This submission follows the structure and format of Verizon's February 25th document. Each paragraph is in response to the corresponding paragraph in the Verizon document and refers to it.

Also being filed at this time is the public version of the PowerPoint presentation given to the Commission on March 12, 2002. (A proprietary version is being filed as well.) If there are any questions regarding this submission please contact me at (212) 607-2013.

Sincerely,

Anna Sokolin-Maimon, Esq.

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MetTel's Rebuttal of Verizon's Response to MetTel's Ex Parte

I. COMPARISON OF VERIZON'S OSS IN NEW JERSEY AND PENNSYLVANIA

A. LSC/Reject Timeliness

1. MetTel respectfully submits that Verizon is not a qualified judge of what is or is not operationally viable for competitors in the market. In the absence of comprehensive industry-wide collaboratives with respect to these subjects, the findings of the state commissions were based on Verizon reported data as well as parameters recommended by Verizon. The information presented by MetTel; on the other hand, represent real market experience with Verizon's systems.
2. Subsequent to Verizon's receipt of 271 authority in Pennsylvania, the Pennsylvania Public Utility Commission began considering adopting New York Carrier to Carrier metrics, as more operationally viable and representative of appropriate industry standards. Based on Verizon's Attachment A, MetTel constructed a weighted average, based on actual products ordered, of the applicable required response time. Based on that weighted average, Verizon's performance is still shown to be substandard.¹
3. Verizon accuses MetTel of having "disregarded" different intervals for varying types of orders in constructing its analysis. In fact, MetTel used the intervals that are applicable to MetTel's order and product types. Verizon does not meet the timeliness standards in either state and is markedly under performing in New Jersey. The standard calls for an *achievement* of 95% within a certain interval, not an *average* of the performance.
4. Allowing for a different MetTel ordering mix in New Jersey and Pennsylvania, as Verizon claims, still underscores Verizon's substandard performance.
5. Verizon's statement is inaccurate. Verizon performance fell below standards for the time period examined.

¹ In accordance with the weighted calculation, Verizon should respond in approximately 18 hours. Verizon's actual response time is 69 hours. These results are detailed in MetTel's Attachment A.

B. BCN Timeliness

1. Verizon's performance is sub standards regardless of whether one employs the 3 or the 4-day standard for BCN timeliness.
2. Verizon is again misusing the metric concept. The metric calls for an achievement of 95% within a certain number of days. It is not relevant what the average interval is. It is however most relevant to note that Verizon is simply not meeting standards. "Twice as long" is a relevant measure when, even accounting for a different product mix, Verizon's performance in New Jersey is demonstrably below its performance in Pennsylvania.
3. Verizon is here using a different set of data, for a different time period than provided by MetTel. Verizon should be able to reply coherently to the presented information and data. In reality, Verizon's "special study" is merely a means of enabling Verizon to make statements that would require MetTel additional time and research to refute rather than addressing the information presented. Verizon has frequently employed such tactics, thereby delaying and sabotaging any meaningful review of the problems. The data presented by Verizon is not valid to refute MetTel's findings, and should not be given any weight.²
4. While usage may be *accrued* starting on the PCN completion data and the loss of line may be *updated* as of that date as well, MetTel has explained that the problem lies in the fact that neither usage nor the loss of line is sent to carriers until after the BCN. In the absence of a loss of line, a carrier will continue to bill its customer. This is not merely theory, as Verizon suggests. Rather this is normal business behavior in accordance with the way Verizon had instructed carriers to interpret system messages.

If usage is not sent until after the BCN is generated and transmitted, and that BCN is delayed, the CLEC is still faced with a lump of usage that it must either bill to the consumer – creating an impression of being an overpriced provider – or choose not to bill for it and accept a loss. This may be a perfectly acceptable solution from Verizon's point of view, but is simply not viable for the few remaining CLECs that have not yet been driven into bankruptcy. This is why timely receipt of accurate BCNs is of paramount importance.

² MetTel is not yet able to analyze the data presented by Verizon for the month of January. However, through the month of December, Verizon took an average of 16 days to reach the metric standard.

5. To clarify, MetTel does *not* bill its customers until after receipt of the BCN. It is rather ironic that in section I.B.4. of its own presentation Verizon implied that BCNs are not as critical as MetTel represents, and in the very next paragraph implies that if “MetTel chooses to bill its end user prior to the receipt of the BCN” it is behaving in an irresponsible manner. Verizon simply cannot have it both ways. Either the BCN is a critical piece of information or it is not. If not, then the CLEC should be able to transact based on the PCN alone. Since this is not the case, as Verizon is well aware, then timely receipt of BCNs is critical to the operational viability of the CLEC. Verizon is not correct when it states that “over 95% of the BCNs are sent in 4 business days.” In reality, for the months of June, July, August, October, November and December it took Verizon 30 days to achieve the 95% standard for BCNs from the time that the work was completed to the receipt of the BCN.³

II. ACCURACY OF VERIZON’S NOTIFIERS

- A. MetTel’s expected results are reasonable. Verizon deliberately mischaracterizes MetTel’s expectation. In fact, MetTel does not expect to see usage in 100% of cases on the day following a completed migration. Instead, MetTel has deliberately allowed for legitimate non-usage and has therefore started counting delayed or missing usage three days following a migration. As will be demonstrated in greater detail below, MetTel has systematically (and repeatedly) refuted the cases offered by Verizon as representing “valid circumstances” for missing or delayed usage.
- B. During the New Jersey proceedings, Verizon did indeed present a series of “alternative explanations” to the phenomenon observed by MetTel. MetTel has systematically demonstrated that none of these alternative theories appropriately explain the observed phenomenon. Verizon has again presented these same “explanations” to this Commission. At no time did Verizon address MetTel’s responses to their theories. Consequently, MetTel is forced to present the previously offered refutations in the hope that, this time; Verizon will not choose to ignore our statements. (As additional clarification, MetTel would like to here refute the explanation offered by Verizon that multi-line accounts may explain lack of usage on any particular line. MetTel conducts usage analysis on an account basis, not on a line basis. If any line in a multi-line account shows proper, timely usage, that account is marked as showing proper usage.)

³ Under a different, more favorable to Verizon, calculation – “from completion to billing system update” Verizon still took 12 days to achieve the metric standard.

1. During hearings before the New Jersey Board of Public Utilities, Verizon claimed that many instances of missing usage following migration could be explained because the winback to Verizon occurred shortly after the migration to MetTel. MetTel responded to this claim in the Initial Post-Hearing brief, as follows: "During hearings, the witness for Verizon did admit that in the ordinary course of events, a carrier should receive usage during the time between the completion notifier date and the effective date of loss. Under this operational scenario, the winback would have to take place almost instantaneously in order for MetTel to receive no usage at all following the receipt of the migration completion notifier. After Verizon raised this possibility as a partial explanation for MetTel's missing usage observation, MetTel requested examples from its data which would fit this scenario. The specific examples provided by Verizon are non-responsive and entirely irrelevant. They include, a set of instances for which MetTel never claimed missing local usage, instances where the individual appears not to have left MetTel, and instances where the migration away from MetTel did occur but within an average period of 45 days."⁴ In fact the examples that are provided by Verizon in Attachment 5, Tab 10, page 3 break down as follows: of the [REDACTED] PONs identified, MetTel has never claimed missing or delayed usage for [REDACTED] PONs, [REDACTED] had either not left MetTel or a Loss of Line was not provided⁵, the average time with MetTel for the remaining [REDACTED] was 45 days, hardly a quick winback. These numbers have been detailed in the motion to compel made by MetTel in New Jersey to which Verizon never responded substantively.
2. MetTel has repeated on numerous occasions that it only looks for PIC usage on the specific accounts for which a PIC change was requested. Verizon continues to "deliberately misunderstand" this simple statement. MetTel will here repeat again, its position. In the Initial Post-Hearing brief, MetTel responded to this particular Verizon claim as follows: "MetTel sometimes places migration orders where the PIC is not changes. In some cases subsequent orders may be placed on those accounts to change the PIC. Verizon may have observed instances of this in the "universe of order" that it requested in its first set of interrogatories to MetTel, and received. None of this is remotely relevant to the issue of misdirected long-distance usage when MetTel categorically states that it begins to look for long-distance usage following receipt of the completion notice for the order where the PIC change had been requested (whether that is the original migration or a subsequent order for any particular case)."⁶ This issue was also the

⁴ State of New Jersey Board of Public Utilities DOCKET NO. TO-01090541 Initial Post-Hearing Brief of Metropolitan Telecommunications, Dated December 7, 2001 ("MetTel Initial Brief") at 7-8.

⁵ As of the date of the original analysis

⁶ MetTel Initial Brief at 9-10.

subject of MetTel's motion to compel to which Verizon has also failed to respond in any meaningful manner.

3. MetTel had received the January data at the end of the month of February. The CABS report necessary to investigate long-distance usage came in at the beginning of the month of March. Since analysis takes time, MetTel has not yet been able to analyze the new data presented by Verizon. Verizon's insistence on introducing new data instead of thoroughly analyzing the information, which MetTel provided months ago, is not helpful in determining the source of these problems.
4. MetTel only opens a trouble ticket for this issue when it has received a BCN stating that the customer has been migrated to MetTel. If usage appears subsequently, regardless of when it began to accrue or when the file was transmitted, MetTel marks that PON solved (MetTel also marks PONs as "solved" if it receives a Loss of line report). The fact of such a "solved" status, does not change the fact that the usage was delayed, and did not begin to accrue at the appropriate time. In New Jersey, Verizon provided the first answer to a trouble ticket with this subject on February 28, 2002, 3 days after the date of Verizon's ex parte response in this matter.⁷

- C. MetTel is using calculation methodology in accordance with field definitions provided by Verizon. Therefore, contrary to Verizon's specious claims, MetTel's methodology is not flawed, unless Verizon is misrepresenting the field definitions of its own systems. MetTel has discussed this issue with Dorena Costa of Verizon, and she suggested the same series of explanations offered by Verizon in section II.C. of their reply submission. In a discussion between Verizon and MetTel in January 2001, Ms. Costa suggested that if MetTel filtered their access usage data to account for these scenarios, MetTel would no longer observe the phenomenon of misdirected long-distance usage. Since that time, MetTel has been doing precisely that. Therefore, all of the "alternative

⁷ In its response to MetTel's trouble ticket, which Verizon sent on February 28, Verizon provided the following responses:

- 1) Verizon marks [REDACTED] PONs as "researched"
 - a. Verizon claims to have found usage for [REDACTED] of these PONs – MetTel has not received usage for [REDACTED] of these.
 - b. Verizon identified Verizon ordering error for [REDACTED] of the PONs
 - c. Verizon could not explain the problem for [REDACTED] of the PONs, and actually suggested that MetTel call the customer to request a "call log" from the customer.
- 2) [REDACTED] of the PONs submitted by MetTel were still "under investigation" as of February 28.
- 3) MetTel itself "solved" [REDACTED] PONs from the list after receiving delayed usage or loss of line.

explanations” offered by Verizon in section II.C. to refute MetTel’s claims are entirely invalid, since MetTel has filtered its data for all of these scenarios.

1. All of the information provided in section II.C.1. is irrelevant. Verizon has once again “undertaken” to perform a study, rather than analyzing data submitted by MetTel. In its data, MetTel has screened for each of the scenarios described in that paragraph which might lead to a false positive result. Verizon’s explanations do not add to determining the cause for its systems misdirecting long-distance usage.
2. The claims of section II.C.2 have no relevance for this discussion as they refer to repair trouble tickets as opposed to provisioning.

D. Verizon is misrepresenting MetTel’s issue. When MetTel refers to false PCNs, it is referring to notifiers that are accompanied by missing or delayed usage. Jeopardy notices are not part of this issue. (Although MetTel did raise the concern of Jeopardy notices being delivered after transmission of a PCN, this is not the phenomenon that MetTel is addressing here.) For the purpose of clarification, it must be understood that MetTel expects to see usage begin to accrue (regardless of when it actually appears on the DUF) as of the PCN completion date. However, MetTel does not include in its calculations instances where the BCN was never received.

III. TIMELINESS AND ACCURACY OF VERIZON’S RESOLUTION OF TROUBLE TICKETS CLAIMING MISSING OR DELAYED NOTIFIERS.

A. When a notifier is missing, the CLEC expects, deserves, relies on and must have the requested notifier within the three business days or a reasonable explanation as to why that notifier will not be provided. To provide the notifier only “if it exists” is not acceptable. If the notifier is due, and it does not exist, then something is not right with the system and should be corrected. Verizon refers to the March 9, 2000 FCC Consent Decree. The language of the Consent Decree is as follows: “The ticket is considered cleared when Bell Atlantic has either requested the CLEC to resubmit the PON or communicated the current status of the PON **and** provided the delayed status notifier to the CLEC.” There is nothing to indicate that Verizon must meet these standards only if the delayed notifier has become available.

1. Verizon has claimed that in some cases, the notifier sought in the Trouble Ticket will never exist because the PON has been cancelled by the CLEC or has been rejected (or “negatively acknowledged”). MetTel has, several times refuted this explanation of the problems observed. In the Initial Post-Hearing brief in the New Jersey

proceeding, MetTel has stated as follows: “During hearings, MetTel made a transcript request for examples of the two scenarios described in the preceding paragraph. Verizon provided responses. These responses included examples of trouble ticket PONs which received the “CANCELLED” or “NACK” response from Verizon. MetTel examined these PONs and has found them in its system. They were indeed included in its calculation of trouble ticket response as part of the universal set of trouble tickets submitted by MetTel, but they all fell into the ‘solved on time’ portion of the equation. None of these items was ever included in the percentage of trouble tickets that MetTel marked as solved late or unsolved. Once again, Verizon has failed to provide a viable explanation to MetTel’s findings.”⁸

- B. If a notifier, which is due, has not been produced “because the PON has not reached the stage in the business process that would produce that notifier” the notifier is *late* and something is wrong with the process. System problems on Verizon’s part are not a legitimate excuse for failing to provide CLECs with the information to which they are entitled. Nothing in the Consent Decree creates the dichotomy between cleared and resolved. Verizon has decided to read this completely artificial construct into the metric which allows Verizon to report acceptable performance under the metric without providing to CLECs the information which they require in a timely manner. The fact that a problem PON may be caused by CLEC error is adequately covered by the language of the Consent Decree when it states that a PON may be cleared by Verizon asking the CLEC to resubmit that PON. The need for “corrective action” on the part of Verizon does not provide additional resolution time under the metric. The purpose of metrics is to provide guidelines and incentives for Verizon to provide CLECs with the necessary information in a timely manner. If metrics become infinitely malleable by Verizon to its own self-serving ends, the metrics will simply be meaningless.
1. The standard measure is percentage achieved, not average response time. Verizon does not achieve the 95% within three business days. Attachment B illustrates an aging analysis of Trouble Ticket PONs for the period in question.⁹
 2. It is not relevant what causes the delay in Verizon’s response. Whether it is the need for additional investigation or system problems is immaterial. What is important is that for a significant percentage of Trouble Ticket PONs, Verizon does not provide the proper response in a timely manner.

⁸ MetTel Initial Brief at 13.

⁹ Attachment B demonstrates that, for the period analyzed, Verizon took in excess of 43 days to solve 95% of MetTel’s Trouble Ticket PONs.

- C. Verizon accuses MetTel of “misunderstanding” the PON Exception process. Instead it is Verizon that is misusing that process. MetTel understands that Verizon requires time to post completions in its SOP, the question is: how much time does it require? Until the proper notifier is received, MetTel is hampered in its ability to serve its customers. Therefore, after the due date for receipt of a notifier has been passed (and not before) MetTel submits a trouble ticket. Verizon then has three days to respond to that trouble ticket. This means that even if Verizon does everything correctly at that point, the CLEC receives a notifier four days after its due date. When Verizon states that it is acceptable not to return the expected notifier because the SOP has not yet been properly updated, it is simply not a valid excuse. This phenomenon may mean that some of Verizon’s systems require attention, but it in no way should provide Verizon with an opportunity to game the metrics. Nevertheless, Verizon, which “understands” its processes very well, reports its completion time retrospectively in its compliance and metrics reports, thereby getting the benefits of high level performance while at the same time ensuring that a CLEC will have to struggle constantly with Verizon’s processes.
- D. Despite the fact that MetTel has explained to Verizon, on several occasions, that it performs its calculations *on the PON level*, Verizon insists on ignoring this fact when it offers explanations. The data presented by MetTel demonstrating Verizon’s sub par performance in responding to trouble tickets represents calculations which were made on the PON level and not on the Trouble Ticket level. It is also important to note that MetTel submits multiple PONs on a single Trouble Ticket at Verizon’s request. Verizon had stated that MetTel’s opening a trouble ticket for each PON was administratively unwieldy for Verizon.

ATTACHMENT A



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OSS Issues Chart 1: LSRC/Reject Analysis:

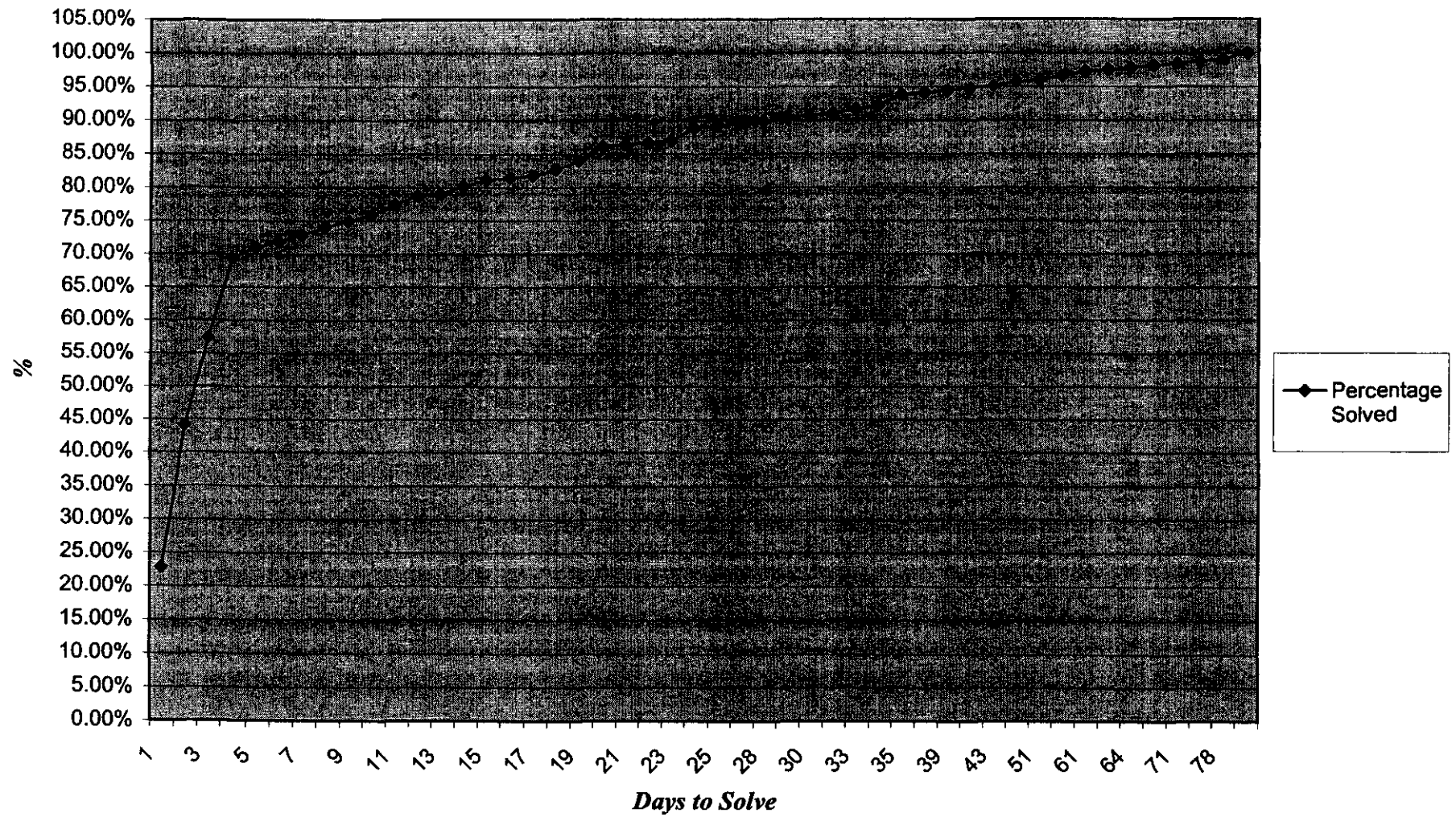
Comparison of Responses (Local Service Request Confirmation/Reject) Between
New Jersey, Pennsylvania and New York

| Total For June, July, August, October (through 10/26/01), November and December 2001 | | | | | |
|---|---|--|----------------------------------|----------------------------------|--|
| | Average Hours From Send to LSRC/ Reject | Standard Deviation in Hours From Send to LSRC/ Reject | Hours to Achieve 50% Response | Hours to Achieve 95% Response | |
| New Jersey | 15Hr 48Min | 60Hr 38Min | 1Hr 35Min | 69Hr 17Min | |
| Pennsylvania | 5Hr 58Min | 23Hr 38Min | 0Hr 20Min | 22Hr 25Min | |
| NY | 4Hr 1Min | 25Hr 15Min | 0Hr 15Min | 4Hr 40Min | |
| Time Differential Between PA and NJ | 10Hr 10Min | 38Hr 0Min | 1Hr 15Min | 46Hr 52Min | |
| % Differential Between NJ & PA (i.e. NJ as a % of PA) | 280.47% | 256.56% | 475.00% | 309.07% | |
| Time Differential Between NY and NJ | 11Hr 47Min | 35Hr 23Min | 1Hr 20Min | 64Hr 37Min | |
| % Differential Between NJ & NY (i.e. NJ as a % of NY) | 393.36% | 240.13% | 633.33% | 1484.64% | |

ATTACHMENT B

PONs on TT - Solving Aging Analysis

as of March 7th, 2002





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New Jersey 271 Filing Issues

Overview

- Effective competition is predicated on operational viability
- Verizon's New Jersey systems are not effectively operationally viable
- The result of these problems are barriers to effective competition



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OSS Issues

- As part of the Pennsylvania 271 process, OSS weaknesses were identified
- These issues are greater in New Jersey (where the OSS systems are identical except the Service Order Processor)
- New Jersey Confirmation/Reject Response times are operationally non-viable



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OSS Issues Chart 1: LSRC/Reject Analysis:

Comparison of Responses (Local Service Request Confirmation/Reject) Between
New Jersey, Pennsylvania and New York

| Total For June, July, August, October (through 10/26/01), November and December 2001 | | | | | | |
|---|---|--|----------------------------------|----------------------------------|--|---|
| | Average Hours From Send to LSRC/ Reject | Standard Deviation In Hours From Send to LSRC/ Reject | Hours to Achieve 50% Response | Hours to Achieve 95% Response | Workload Derived Weighted Time Standard based on Data From The Verizon Response To The MetTel Ex Parte | % Actual 95% Achievement is greater Than Weighted Time Standard |
| New Jersey | 15Hr 48Min | 60Hr 38Min | 1Hr 35Min | 69Hr 17Min | 18 Hr 3 Min | 383.90% |
| Pennsylvania | 5Hr 58Min | 23Hr 38Min | 0Hr 20Min | 22Hr 25Min | 8 Hr 57 Min | 250.50% |
| NY | 4Hr 1Min | 25Hr 15Min | 0Hr 15Min | 4Hr 40Min | | |
| Time Differential Between PA and NJ | 10Hr 10Min | 38Hr 0Min | 1Hr 15Min | 46Hr 52Min | | |
| % Differential Between NJ & PA (i.e. NJ as a % of PA) | 280.47% | 256.56% | 475.00% | 309.07% | | |
| Time Differential Between NY and NJ | 11Hr 47Min | 35Hr 23Min | 1Hr 20Min | 64Hr 37Min | | |
| % Differential Between NJ & NY (i.e. NJ as a % of NY) | 393.36% | 240.13% | 633.33% | 1484.64% | | |

OSS Issues (Continued)

- Delayed Confirmations/Rejects result in CLEC inability to provide information to End Users
- Delayed Confirmations/Rejects result in CLEC inability to promptly engage in activities necessary to migrate or service the End User
- Delayed Confirmations/Rejects result in a loss of End User confidence in the CLEC as a quality service provider



OSS Issues (Continued)

- For the period of June, July, August, October (through 10/26/01), November and December 2001:
 - 95% of Verizon's New Jersey Completion Notices took 383.9% of the product weighted time standard to arrive while Pennsylvania's took 250.5% (a difference factor of 153.25%).
 - Verizon required 30 days to transmit 95% of NJ Billing Completion Notices (BCN) after the work has been completed
 - Verizon required 16 days to complete 95% of NJ Billing Completion Notices (BCN) after the work has been completed.

OSS Issues (Continued)

- Absent the BCN generation End User usage is not accrued and transmitted.
- Absent the BCN generation, the Loss of Line Report to the losing carrier is not generated and transmitted.
- Absent the BCN generation, the gaining carrier cannot engage in subsequent transactions (other than repair issues).



OSS Issues (Continued)

- The result of delayed BCN generation and transmittal is double billing
- The result of delayed BCN generation and transmittal is inordinately high End User bills when the delayed usage is transmitted
- The result of delayed BCN generation and transmittal is CLEC inability to provide competitive customer service.

OSS Issues (Continued)

- The result of delayed BCN generation and transmittal is an End User impression of the CLEC as a unreliable service provider with higher bills than promised

OSS Issues (Continued)

- The notifiers transmitted by Verizon certify the work requested has been completed, analysis of the expected results indicates this is not the case
- CLECs have no other information source as an alternative to the Verizon notifiers and must rely upon them
- CLECs incur significant costs (time & money) to identify and remediate the “false” notifiers
- Issues which arise during the identification/remediation period cause the CLEC to appear (to the End User) to be a low quality provider



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OSS Issues Chart 2: System Transaction Comparison

Comparison of System Transactions Between New Jersey Pennsylvania and NY
For the Months of June, July, August, October 2001 (through 10/26/01), November and December 2001

| | Average Days Between PCN CD and PCN Receipt | Standard Deviation in Days Between PCN CD and PCN Receipt | 50% (In Days) | 95% (In Days) | Average Days Between PCN CD and BCN Receipt | Standard Deviation in Days Between PCN CD and BCN Receipt | 50% (In Days) | 95% (In Days) | Average Days Between PCN CD and BCN CD | Standard Deviation in Days Between PCN CD and BCN CD | 50% (In Days) | 95% (In Days) | Average Days Between BCN CD and BCN Receipt | Standard Deviation in Days Between BCN CD and BCN Receipt | 50% (In Days) | 95% (In Days) | Average Days Between PCN and BCN | Standard Deviation in Days Between PCN and BCN | 50% (In Days) | 95% (In Days) |
|--|--|---|------------------|------------------|--|---|------------------|------------------|---|--|------------------|------------------|--|---|------------------|------------------|--|---|------------------|------------------|
| New Jersey | 1 | 4 | 0 | 6 | 5 | 5 | 4 | 30 | 4 | 4 | 4 | 16 | 1 | 3 | 0 | 12 | 4 | 6 | 4 | 21 |
| Pennsylvania | 0 | 2 | 0 | 0 | 2 | 3 | 1 | 7 | 2 | 3 | 1 | 5 | 0 | 2 | 0 | 2 | 2 | 3 | 1 | 6 |
| NY | 0 | 4 | 0 | 1 | 2 | 2 | 1 | 5 | 1 | 1 | 1 | 3 | 0 | 2 | 0 | 0 | 1 | 4 | 1 | 3 |
| Time Differential Between PA and NJ (In Days) | 1 | 2 | 0 | 6 | 3 | 2 | 3 | 23 | 2 | 1 | 3 | 11 | 1 | 1 | 0 | 10 | 2 | 3 | 3 | 15 |
| % Differential Between NJ & PA (i.e. NJ as a % of PA) | 100.00% | 200.00% | 100.00% | 100.00% | 250.00% | 166.67% | 400.00% | 428.57% | 200.00% | 133.33% | 400.00% | 320.00% | 100.00% | 150.00% | 100.00% | 600.00% | 200.00% | 200.00% | 400.00% | 380.00% |
| Time Differential Between NY and NJ (In Days) | 1 | 0 | 0 | 5 | 3 | 3 | 3 | 25 | 3 | 3 | 3 | 13 | 1 | 1 | 0 | 12 | 3 | 2 | 3 | 18 |
| % Differential Between NJ & NY (i.e. NJ as a % of NY) | 100.00% | 100.00% | 100.00% | 600.00% | 250.00% | 250.00% | 400.00% | 600.00% | 400.00% | 400.00% | 400.00% | 533.33% | 100.00% | 150.00% | 100.00% | 100.00% | 400.00% | 150.00% | 400.00% | 700.00% |



OSS Issues (Continued)

- For the period of June, July, August, October (through 10/26/01), November and December 2001:
 - 32% of End User Migrations to MetTel were not completed as per the BCN (18% showed usage commencing 3 days after the work completion date and 15% showed no usage)
- MetTel examines usage based on the Usage Record Date i.e. the date the End User incurred the usage as presented on the Verizon Daily Usage File
 - This usage is utilized to verify the validity of the completion notifier by testing for the expected result



OSS Issues (Continued)

- MetTel verifies the PIC change by examining Cat 11 (Carrier Access Usage) records (according to the methodology specified by Verizon staff) to test that the terminating IXC is the selected one
 - 9.7% of PIC Change transactions show usage to a predesignated carrier other than the one indicated on the Verizon BCN



OSS Issues (Continued)

- When Verizon Notifiers are delayed and MetTel issues a Trouble Ticket requesting information, Verizon does not respond with the information in a commercially viable timeframe
 - Verizon only resolved 68% of MetTel Trouble Tickets within 3 days.
 - Of the remaining 32%, Verizon provided incorrect information for 78% of the PCN and 50% of the BCN
 - Verizon required 43 days to resolve 95% of the MetTel Trouble Tickets



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OSS Issues Chart 3: Migration Quality Issues:

Total For June, July, August, October (through October 26), November & December

| Period | Usage Starting 3 Days from PCN CD | Usage Starting 7 Days from PCN CD | No Usage as of the Analysis Cutoff but greater than 7 Days from Migration* | Total Late and no Usage |
|--------|--------------------------------------|--------------------------------------|---|----------------------------|
| NJ | 17.92% | 11.98% | 14.55% | 32.48% |
| PA | 11.43% | 3.93% | 6.79% | 18.21% |
| NY | 15.55% | 3.09% | 4.03% | 19.58% |



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OSS Issues Chart 4 A: Trouble Ticket Status Issues

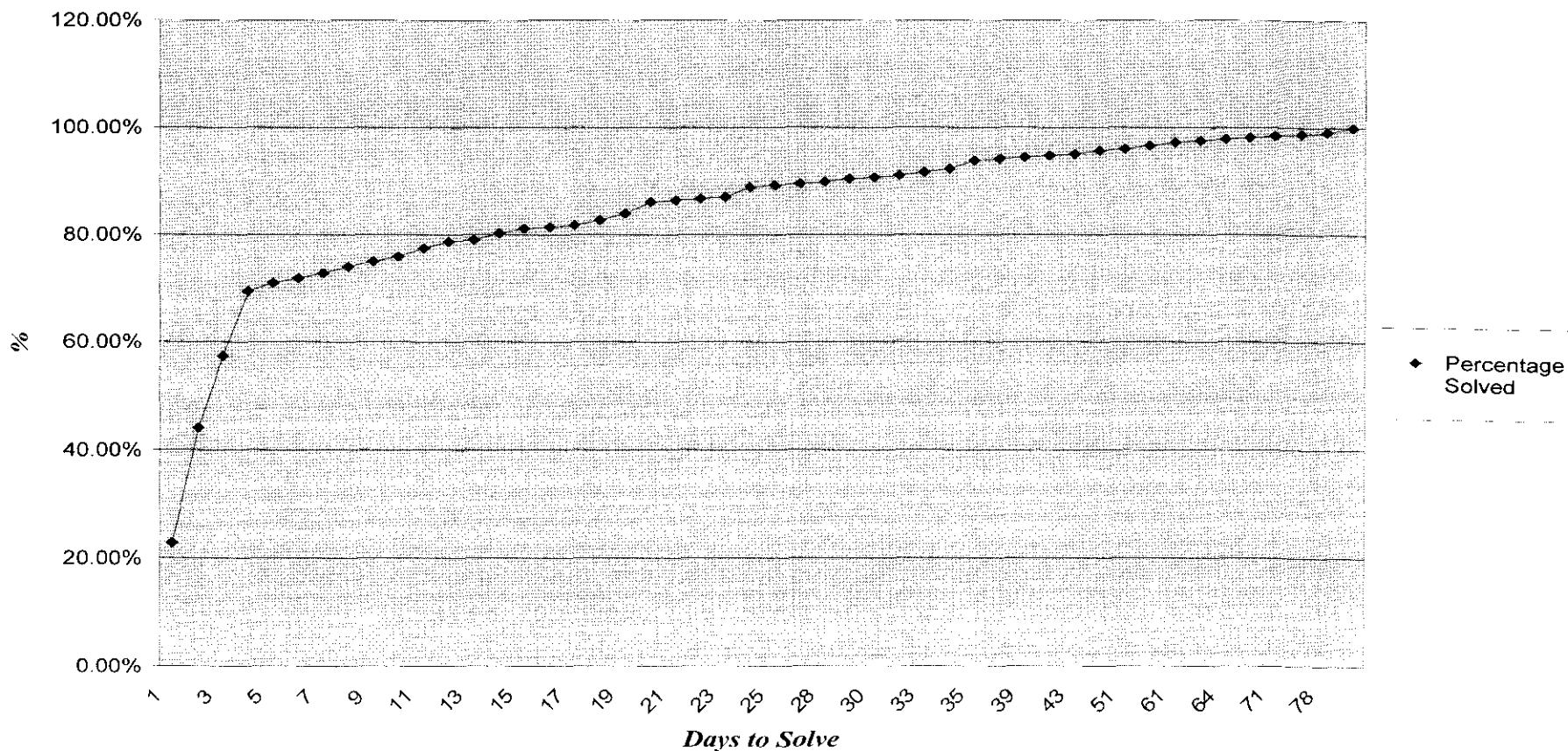
Trouble Ticket Status

Total for the period June, July, August, October 2001 (through 10/26/01), November and December 2001

| State | Solved in 3 Business Days | Solved in More Than 3 Business Days | Not Solved | Total not Solved in 3 Business Days |
|-------|---------------------------|-------------------------------------|------------|-------------------------------------|
| NJ | 67.89% | 32.11% | 0.00% | 32.11% |
| PA | 62.69% | 35.82% | 1.49% | 37.31% |
| NY | 52.52% | 47.48% | 0.00% | 47.48% |

OSS Issues Chart 4 B: Trouble Ticket Aging

Resolution Aging Analysis of NJ PONs on Trouble Tickets
as of March 7th, 2002





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OSS Issues Chart 5A: Missing Notifier Analysis Issues

Analysis of Missing Completion Notifiers (BCN,PCN) Provided After 3 Business Days From TT Opening Date(1) For June, July, August, October (Through 10/26), November and December 2001

| Answers provided by Verizon to TT | Number of Items where FOC CDD is Prior to TT Opening | Number of Items where Completion Date is Prior to TT Opening | Number of Items on PCD Report | Remarks |
|--------------------------------------|--|--|----------------------------------|---------|
| Total: NJ | 99.15% | 98.72% | 0.00% | |
| Total: PA | 100.00% | 97.58% | 0.00% | |
| Total: NY | 100.00% | 91.08% | 1.78% | |

(1) Data is presented for PONs that have received at least one Completion Notifier



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OSS Issues Chart 5 B: Missing Notifier Analysis Issues

Analysis of Missing Completion Notifiers (BCN,PCN) Provided After 3 Business Days From TT Opening Date(1) For June, July, August, October (Through 10/26), November and December 2001

| Answers provided by Verizon to TT | Requested Notifier | % of Items where FOC CDD is Prior to TT Opening By Type of Requested Notifier | | % of Items where Completion Date is Prior to Trouble Ticket Initiation By Type of Notifier | | Status Provided | | | | | |
|-----------------------------------|--------------------|---|-----------------------------|--|-----------------------------|---|-----------------------------|--|-----------------------------|--|-----------------------------|
| | | | | | | Status Provided is at a Lower Level than the Requested Notifier Or No Status Provided | | Status Provided is the Level of the Requested Notifier | | Status Provided is at a Higher Level than the Requested Notifier | |
| | | Provisioning Completion Notifier | Billing Completion Notifier | Provisioning Completion Notifier | Billing Completion Notifier | Provisioning Completion Notifier | Billing Completion Notifier | Provisioning Completion Notifier | Billing Completion Notifier | Provisioning Completion Notifier | Billing Completion Notifier |
| Total: NJ | PCN | 100.00% | | 95.38% | | 61.54% | | 21.54% | | 16.92% | |
| | BCN | | 98.82% | | 100.00% | | 49.70% | | 50.30% | | 0.00% |
| Total: PA | PCN | 100.00% | | 91.43% | | 28.57% | | 11.43% | | 60.00% | |
| | BCN | | 100.00% | | 100.00% | | 51.69% | | 48.31% | | 0.00% |
| Total: NY | PCN | 100.00% | | 90.24% | | 58.74% | | 3.70% | | 37.55% | |
| | BCN | | 100.00% | | 93.13% | | 59.53% | | 40.47% | | 0.00% |



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OSS Issues Chart 6 A: PIC Change Analysis Issues

As of October 31, 2001

CIC Change First Call - August Analysis

As of October 31, 2001

| State | Category | First CIC as Requested to 5237 | First CIC not as Requested (1) | No CIC Record |
|-------|-----------------------------------|--------------------------------|--------------------------------|---------------|
| NJ | First CIC after CIC Change by PON | 49.58% | 17.18% | 33.24% |
| | First CIC after CIC Change by TN | 43.16% | 13.31% | 43.53% |
| NY | First CIC after CIC Change by PON | 42.47% | 5.41% | 52.12% |
| | First CIC after CIC Change by TN | 34.83% | 20.72% | 44.45% |

NB: There were no PA PIC Changes in August

CIC Change First Call - December Analysis

| State | Category | First CIC as Requested to 5237 | First CIC not as Requested (1) | No CIC Record |
|-------|-----------------------------------|--------------------------------|--------------------------------|---------------|
| NJ | First CIC after CIC Change by PON | 48.09% | 9.66% | 42.25% |
| | First CIC after CIC Change by TN | 60.29% | 9.09% | 30.62% |
| PA | First CIC after CIC Change by PON | 43.75% | 0.00% | 56.25% |
| | First CIC after CIC Change by TN | 50.00% | 0.00% | 50.00% |
| NY | First CIC after CIC Change by PON | 35.27% | 5.07% | 59.66% |
| | First CIC after CIC Change by TN | 40.50% | 5.51% | 54.00% |



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OSS Issues Chart 6 B: PIC Change Analysis Issues

CIC Change - Total Calls Distribution

| State | Calls Routed to Requested CIC | Calls Routed to other CIC |
|-------|----------------------------------|------------------------------|
| NJ | 54.97% | 45.03% |
| PA | 100.00% | 0.00% |
| NY | 76.94% | 23.06% |



Provisioning/Billing Issues

- Verizon's Retail to Wholesale conversion process contains potential significant problems.
- Conversions with Billing Completion Notices certifying complete conversion to MetTel are being Retail Billed to MetTel while wholesale usage is appearing on the DUF .



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Provisioning/Billing Issues Chart 1

MetTel Accounts with VZ Retail Bills

| Type of Account | Install Date | Disconnect Date | PON | Hrs Send to FOC | BCN | State | Local | Regional | LD | Date of Retail Bill | Date of Suspension Letter/ Notice | First Usage | Last Usage |
|-----------------|--------------|-----------------|------------------|-----------------|-----------------|-------|--------|----------|----------|---------------------|-----------------------------------|----------------------|----------------------|
| UNE-P | 9/6/01 | 1/15/02 | AS8639915 | 4:38:04 | Yes | NJ | MetTel | MetTel | MetTel | | 11/8/01 | 9/6/01 | 9/23/01 |
| UNE-P | 12/4/01 | | AS17225095 | 70:49:09 | Yes | NJ | MetTel | MetTel | MetTel | | 2/6/02 | 12/6/01 | 1/8/02 |
| UNE-P | 9/29/00 | | MG83611NJ-3 | | Yes: See note 1 | NJ | MetTel | MetTel | AT&T | 1/10/02 | | | |
| UNE-P | 1/23/02 | | CERSM17722599 | 165:01:27 | Yes | NJ | MetTel | MetTel | None: PP | 2/6/02 | | No Usage: See note 3 | No Usage: See note 3 |
| UNE-P | 9/14/00 | 12/8/00 | MG09111313072254 | 20:10:58 | Yes: See note 2 | PA | MetTel | MetTel | MCI | 2/1/02 | | 9/15/00 | 12/7/00 |
| UNE-P | 10/25/00 | 1/30/002 | MG10231107238792 | 0:02:57 | Yes: See note 2 | PA | MetTel | MetTel | MetTel | 2/4/02 | | 10/26/00 | 1/30/02 |



Economic Impact

- The negative economic impact of inaccurate notifiers and unanswered Trouble Tickets can be approximated by using the incremental Churn Rate for the affected % of customers multiplied by the value of lost customers to yield an amount equal to approximately 20% of MetTel's gross sales ****(Redacted)****.
- Using the same amount of accounts used above, the incremental value to Verizon of these lines lost to Operational Quality Issues is ****(Redacted)****.



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Economic Impact Chart 1: Baseline Data

Completion Notifier Performance Quality Analysis

| Measurement | Total |
|---|--------|
| % SOP to Bill Completion within 3 Business Days Adjusted with Quality Issues* | 83.90% |
| % SOP to Bill Completion within 3 Business Days | 95.29% |

Migration Performance Quality Analysis

| Period | Usage Starting 3 Days from PCN CD | Usage Starting 7 Days from PCN CD | No Usage as of Noted Date | Total Late and no Usage |
|---------------------|--------------------------------------|---|------------------------------|----------------------------|
| | % | % | % | % |
| Nov 00 - Aug 01: NY | 6.61% | 2.65% | 6.07% | 12.67% |



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Economic Impact Chart 1: Baseline Data (Continued)

SNP Performance Quality Analysis

| Period | Usage After the SNP PCN CD and Prior to the Restoral PCN CD | Usage After the SNP PCN CD with no Restoral | | Total | |
|---------------------|---|---|--|--------|--|
| | % | % | % Net of items on LOL Prior to first Usage | % | % Net of items on LOL Prior to first Usage |
| Nov 00 - Aug 01: NY | 6.73% | 11.18% | 8.53% | 17.91% | 15.26% |

Restoral Performance Quality Analysis

| Period | Usage start 3 days from PCN CD | No Usage | | Total | |
|---------------------|--------------------------------|----------|--|--------|--|
| | % | % | % Net of Items Disconnected 7 Days or less from PCN CD | % | % Net of Items Disconnected 7 Days or less from PCN CD |
| Nov 00 - Aug 01: NY | 8.13% | 2.39% | 1.65% | 10.52% | 9.78% |

PIC Change Performance Quality Analysis

| | | First CIC as Requested to 5237 | First CIC not as Requested | No CIC Record |
|---------------------|--|--------------------------------|----------------------------|---------------|
| | | % | % | % |
| Nov 00 - Aug 01: NY | | 63.23% | 5.75% | 31.02% |



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Economic Impact Chart 2 A: Economic Impact

| Account Valuation Data | |
|-------------------------------------|--------|
| Estimated Relationship Duration | Months |
| Average Monthly Profit/Account | |
| Average Marketing/Provisioning Cost | |
| Cost of Lost Customer | |
| All State Migrations for 2001 | |
| Economic Impact | |

| | |
|--|----------|
| Verizon Comparative Data | |
| Market Value of Access Line Equivalent (2) | \$931.00 |
| Lines lost due to Quality Transactional Issues | |
| Value to Verizon of Lines Lost Due to Quality Issues | |
| (2) Data From 1/31/02 Press Release | |

Economic Impact Chart 2 B: Economic Impact

Churn Rate based on Provisioning Quality

| Order Type | Transactions with Undetected Problems (1) | Transactions with Late BCN or False BCN |
|---------------|--|--|
| | Lost in 60 Days or less from PCN CD | Lost in 60 Days or less from PCN CD |
| | % | % |
| Restoral | 10.57% | 38.59% |
| Migration | 21.52% | 27.77% |
| CIC Change | 9.00% | 13.60% |
| Total | 11.96% | 30.72% |

(1) This analysis only addresses account level problems analyzed herein but by no means represents there are no other problems that might be identified



Verizon Non Responsiveness Issues

- The New Jersey Board of Public Utilities decision was based on incomplete data
- Verizon disputed MetTel's usage analysis but were unable/unwilling to support their comments
- MetTel demonstrated that some Verizon testimony was inaccurate and submitted a motion to compel that Verizon either produce their supporting documentation or withdraw the testimony: the BPU ruled on this motion only after the conclusion of the final briefing schedule



Verizon Non Responsiveness Issues

- Verizon disputed MetTel's analysis of Verizon's responses to Trouble Tickets but was unable to provide any support for their assertions
- The NJBPU did not react to MetTel's illustration of this non responsiveness

Conclusion

- MetTel is NOT addressing the Usage issue as an item of missing records to be addressed from a Billing perspective
- Rather, it is used as a methodology to test and verify expected results based on the transactions Verizon purports as correctly completed
- This analysis highlights serious deficiencies in Verizon's OSS which preclude effective competition



Conclusion (continued)

- The NJBPU Consultative Report is based on incomplete information
- MetTel's unique analyses demonstrate that Verizon's OSS requires remediation before it is adequate for open and free competition